

ALLTEL CORPORATION

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Ex parte Submission

EX PARTE OR LATE FILED

August 20, 1998

Judith Albert
Network Services Division
Common Carrier Bureau
Federal Communications Commission
2000 M Street, N.W.
Room 210-S
Washington, DC 20554

RECEIVED

AUG 20 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: *In the Matter of Ameritech Petition for Modification of
Certain LATA Boundaries in Ohio (Aurora, Northfield,
and Twinsburg Exchanges)
CC Docket No. 96-159 ✓
NSD File No. NSD-L-96-19*

Dear Ms. Albert:

In connection with the Commission's consideration of the referenced petition for modification of certain LATA boundaries in Ohio, it appears that it would be helpful to supplement the record with respect to the background of the Public Utilities Commission of Ohio's ("PUCO") proceedings which resulted in the referenced filing. In this regard, I am enclosing copies of a joint Stipulation filed on January 7, 1994 with the PUCO, the PUCO's March 30, 1994 decision accepting and approving that Stipulation, and the PUCO's March 23, 1995 Finding and Order involving the joint application of Western Reserve Telephone Company ("Western Reserve") and Ameritech Ohio for approval of one-way Extended Local Calling Services ("ELCS") from Western Reserve's Aurora, Northfield and Twinsburg exchanges to the Akron exchange of Ameritech.

The Stipulation reflected a settlement of a rate case proceeding involving Western Reserve and an alternative regulation proceeding also involving Western Reserve. The signatories to the Stipulation were Western Reserve, the Staff of the PUCO, The Ohio Bell Telephone Company ("Ameritech Ohio"), Allnet Communications Services, Inc., LCI International Telecom Corporation and MCI Telecommunications Corporation (the "IXC Coalition"), AT&T Communications of Ohio, Inc., The Ohio Department of Education, Bell Communications Research, Inc. and The Ohio Cable Television Association.

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List A B C D E

As reflected in Attachment 1 to the Stipulation, Western Reserve ("the Company") was obligated, among other things, to:

(i) in accordance with all applicable rules, regulations, and legal restrictions, propose rate reductions through the implementation of One-Way Extended Local Calling Service to the following county seat exchanges of its service territory:

1. Northfield to Akron
2. Twinsburg to Akron
3. Aurora to Akron

(ii) file an application with the Commission ("i.e., the PUCO") for the provision of ELCS for each of these routes within 60 days from the Implementation Date. The Company will, with regard to each of these routes not approved for ELCS by all appropriate authorities, allocate an additional \$50,000 to telecommunications-based educational applications development. Such funds will be available on a grant basis as provided in Section 10(M) (2) of the Plan.

The PUCO approved and adopted the Stipulation in its entirety. Subsequently, in its Finding and Order adopted March 23, 1995, the PUCO denied the IXCs' request for rehearing, authorized the one-way, non-optional ELCS, and ordered Ameritech to file with the US District Court a waiver which would allow it to terminate interLATA services. After the passage of the 96 Act, the PUCO directed Ameritech to file the petition with the FCC. Thus, the request was first filed with the FCC on November 12, 1996, and refiled on April 28, 1998.

There seems to have been some concern on the part of the FCC staff as to whether the Ameritech/Western Reserve petition is consistent with the pattern of earlier decisions and the US District Court's decision on LATAs in United States v. Western Electric, Inc. 569 F Supp. 990 (D.D.C. 1983). In this regard, Western Reserve does not believe it was the intent of the court to preclude independent LECs ("ITCs") from serving the interests of their subscribers. Indeed, the court indicated that one objective of the consent decree to affect the ITCs as little as possible.

The focus of the court with respect to LATAs was the Bell Operating Companies' transport or carriage of traffic between their LATAs and ITC territory. (*Id.* at 1009) The pending petition involves termination in a LATA and not carriage by a BOC between LATAs. The traffic will be carried by Western Reserve from its three

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Judith Albert
August 20, 1998

exchanges in the Cleveland LATA to its switch in the Hudson exchange which is located in the Akron LATA. The traffic will then be routed to Ameritech in the same LATA for termination. The actual interLATA transport is thus provided by Western Reserve.

The demand for the ELCS continues today, as evidenced by supportive filings in the proceeding of the Mayors of Macedonia, Aurora, Twinsburg, Reminderville, and the Township Trustee of Sagamore Hills.

Western Reserve believes that the Commission, having considered the limited scope and purpose of this request, can act favorably and grant it pursuant to its authority under Section 153(25) of the Communications Act.

Alternatively, Western Reserve believes the Commission can rule that an interLATA waiver is not required as the configuration does not result in the carriage of interLATA traffic by Ameritech because the actual interLATA transport is provided solely by an ITC, Western Reserve. This interpretation appears consistent with the court's conclusion in the cited LATA opinion that "regardless of whether traffic is classified as interexchange or intraexchange, an ITC will have the option of establishing a relationship with the Operating Company whereby the ITC would be the carrier of traffic between the Operating Company LATA and the ITC's territory". Id. at 1009.

Respectfully submitted,

The Western Reserve Telephone Company

By: Carolyn C. Hill
Carolyn C. Hill
Its Attorney

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Suite 220
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CCH/ss

Enclosures - Attachment 1 - Stipulation
Attachment 2 - Opinion and Order
Attachment 3 - Finding & Order

RECEIVED

JAN 7 1994

DOCKETING DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

The Office of the Consumers' Counsel
State of Ohio, on Behalf of the
Residential Utility Customer of The
Western Reserve Telephone Company,

Complainants,

v.

The Western Reserve Telephone Company

Respondent.

Case No. 92-1525-TP-CSS

In the Matter of the Application
of The Western Reserve Telephone
Company for Approval of an
Alternative Form of Regulation.

Case No. 93-230-TP-ALT

STIPULATION

The Western Reserve Telephone Company (the "Company"), the Staff of the Commission ("Staff"), The Ohio Bell Telephone Company ("Ohio Bell"), Allnet Communications Services, Inc., LCI International Telecom Corporation and MCI Telecommunications Corporation (the "IXC Coalition"), AT&T Communications of Ohio, Inc. ("AT&T") The Ohio Department of Education ("ODE"), Bell Communications Research, Inc. ("Bellcore") and The Ohio Cable Television Association (collectively, the "Stipulating Parties") respectively stipulate and recommend as follows:

1. With respect to Case No. 92-1525-TP-CSS, that the Commission find:
 - (A) That the Complaint alleged, among other things, that since the Company's last rate case the Company's revenues have increased and its expenses decreased, resulting in alleged excess earnings of more than \$10,000,000 annually, and that the Commission should order reductions in rates to just and reasonable levels;

- (B) That, on a total-company basis, the Company's revenues during the test year exceeded amounts necessary to achieve a rate of return on rate base of 10.7% to the extent of \$18,708,000; that, \$10,258,000 of this amount was allocated to the Company's conversion to cost-based interstate settlements effective January 1, 1994, and; that by virtue of the foregoing, the Company's intrastate rates should be reduced as outlined in Section 1(C), to the extent of \$8,450,000 in the first year, plus additional amounts outlined in such Section for later years.
- (C) That, upon implementation of the following rate adjustments, as set forth in the Alternative Regulatory Plan (the "Plan"), attached hereto as Attachment 1, rates and charges of the Company will be in all respects just and reasonable over the Initial Term of the Plan as stipulated below, and that the Complaint giving rise to Case No. 92-1525-TP-CSS will be thereby satisfied:

<u>Rate Adjustment</u>	<u>Revenue Effect (millions)</u>		
	Year 1	Year 2	Year 3
1. Elimination of residential Tel-touch charges/non-recurring charge waiver	\$(2.0)		
2. Reduction of Intrastate Traffic Sensitive Local Switching access charges	(6.2)	(2.2)	(2.4)
3. Implementation of free one way calling to state chartered schools from Company customers	(.15)		
4. Reduction of basic local exchange rate for schools	<u>(.1)</u>		
Total	\$(8.45)		

- (D) That to the extent it seeks results inconsistent with the foregoing, the Complaint is denied; to the extent it seeks results consistent with the foregoing, the Complaint is granted.

2. With respect to Case No. 93-230-TP-ALT:

- a. That the Company be authorized in all respects to place in effect the Alternative Regulatory Plan (the "Plan") which is attached hereto as Attachment 1;
- b. That the Stipulation is the product of serious bargaining among the Stipulating Parties who are capable knowledgeable parties. The Stipulation as a package benefits the Company ratepayers and is in the public interest.
- c. That, pursuant to Section I(D) of the Rules, to the extent necessary to effect the foregoing, any and all of the rules adopted by the Commission in Case No. 92-1149-TP-COI which are in conflict herewith be waived; and
- d. That the Ohio Bell "B" schedules shall be the intraLATA toll rate schedules that shall be applicable to calls utilizing a Company switch that has not been enabled with IntraLATA 1+ (as hereafter defined), and that are calls among the Company's customers, or between the Company's customers and those of Ohio Bell, or between the Company's customers and those of other Schedule B carriers.
- e. The Company will provide its customers the option of choosing their interLATA toll carrier to carry their intraLATA toll calls on a 1+ basis ("IntraLATA 1+"). For purposes of this provision, "toll calls" means MTS calls terminating outside the "local calling area" as defined by O.A.C. §4901:1-7-01. The Company will deploy the technology necessary to implement IntraLATA 1+ and will implement IntraLATA 1+ upon the terms and conditions set forth herein. The Company will remain an access provider, a secondary carrier, and will not be required to become a toll carrier.

(1) Implementation Schedule

The Company's infrastructure commitment to deploy full digital switching capability for all its access lines by year-end 1994 will permit the company to provide IntraLATA 1+ to all its customers by that date. The Company will implement IntraLATA 1+ in at least five (5) exchanges served by software

program-controlled switches on or before September 1, 1994 and will implement IntraLATA 1+ to all its customers by December 31, 1994. Not later than one hundred fifty (150) days prior to the first implementation of IntraLATA 1+, the Company will file an ATA application with the Commission for authority to withdraw its concurrence with the Ohio Bell Message Toll Service ("MTS") Schedule B Tariff on a switch-by-switch basis as IntraLATA 1+ is implemented, and for concurrence in the Ohio Bell MTS Schedule B Tariff to continue until IntraLATA 1+ capability is available to customers served by the switch in question. At the time the ATA application is filed, the Company will provide sufficient notice to Ohio Bell and to any other participants in the Originating Responsibility Plan/Secondary Carrier Option ("ORP-SCO") billing arrangements so the necessary adjustments can be made to the IntraLATA Terminating Access Compensation ("ITAC") billing system to accommodate the withdrawal of Ohio Bell as the primary carrier for MTS for the Company, and upon implementation of IntraLATA 1+ in each central office, Ohio Bell shall no longer be deemed the primary carrier for MTS for such office. The ORP-SCO Agreement shall be appropriately amended to carry out the intent of this Stipulation; however, nothing herein shall be construed to rescind any other agreements between the Company and Ohio Bell, including but not limited to, agreements for billing and collection services and operator services.

(2) IntraLATA 1+ Methodology

The Company will deploy the IntraLATA 1+ methodology known as "modified 2 PIC" to implement IntraLATA 1+ capability. For purposes of this provision, the "modified 2 PIC" methodology means the programming of a software program-controlled switch to create an additional class of service for each existing class of service, thereby permitting an additional routing table for each existing class. The "modified 2 PIC" methodology permits customers to select their presubscribed interLATA toll carrier to handle all their toll calls on a 1+ basis or

to allow Ohio Bell, the Company's current primary carrier, to carry their intraLATA calls, as is now the case. The Company will continue to handle all local, 0-, 411, 611, and 911 calls.

(3) IntraLATA 1+ Implementation Cost Recovery

The Company will recover its intraLATA 1+ implementation costs, in an amount not to exceed \$175,000, from carriers presubscribed for intraLATA MTS toll service through a tariffed, one-time non-recurring intrastate access charge (the "Charge"). The IntraLATA 1+ implementation costs allowable for recovery will include reasonable billing system changes, employee labor costs associated with switch programming, initial PIC changes and a reasonable allocation of associated overheads. The Charge will be described in a tariff applicable to all MTS toll carriers. The Charge will be determined and assessed as follows:

- a. On or about July 1, 1995, the Company will conduct a study to identify all carriers then presubscribed to provide IntraLATA 1+ service or providing intraLATA service as a residual carrier, as well as the pro-rata portion of the Company's total originating intraLATA MTS minutes of use attributable to each such carrier authorized to provide interLATA service to customers of the Company during the preceding month (the "IXC Percentage"), and the pro-rata portion of the Company's total intraLATA MTS minutes of use attributable to each such carrier authorized to provide intraLATA service to customers of the Company for the preceding month (the "OBT Percentage").
- b. As soon as practicable thereafter, and if neither of the conditions described in Subsection c of this Section shall have occurred, the Company will assess each carrier authorized to provide interLATA service to customers of the Company on July 1, 1995, a Charge equal to the product of the Company's allowable implementation costs and such carrier's IXC Percentage. If either condition described in Subsection c shall have then occurred, the Company shall

assess each carrier authorized to provide intraLATA service to customers of the Company on July 1, 1995, a charge equal to the product of the Company's allowable implementation costs and such carrier's OBT Percentage.

- c. If Ohio Bell is not assessed a Charge pursuant to the terms of Subsection b, and if at any time during the Initial Term of the Plan and after June 1, 1995, any competent agency or court shall issue an order, or legislation shall be enacted, that removes the restriction of the Modified Final Judgment relating to interLATA service by Ohio Bell for the Company's customers, or if Ohio Bell shall give the notice identified in Section 2.e.7 of this Stipulation, then the Company shall recalculate the Charges to all carriers, including Ohio Bell, in amounts equal to the product of the Company's allowable implementation costs and each carrier's OBT Percentage, and shall assess or credit each carrier, including Ohio Bell, accordingly.

(4) Customer Notification

The Company will provide notice to affected customers of the option to choose their interLATA carrier to handle all their toll calls at least ninety (90) days prior to the date IntraLATA 1+ becomes available to such customers. There will be no customer balloting. Toll carriers may provide such information to customers regarding the availability of IntraLATA 1+ as they deem appropriate, provided, however, that customer marketing by toll carriers will commence no sooner than ninety (90) days prior to the date IntraLATA 1+ is to become available to the affected customers and except that nothing herein shall authorize any otherwise unauthorized or unlawful use of Company's name, marks, logo, trademarks, or tradenames by the toll carriers.

(5) PIC Changes

The Company's procedures and charges applicable to customers' selection of an interLATA carrier (PIC changes) will be

applicable to the selection of an intraLATA toll carrier, including allowance, for ninety (90) days before the date IntraLATA 1+ becomes available, for customers to select their interLATA toll carrier to carry their intraLATA toll calls without the Customer incurring a PIC change charge.

(6) Residual Carrier

Ohio Bell shall remain the carrier for intraLATA service to current customers at current locations who, as of the implementation date of IntraLATA 1+, do not affirmatively select their presubscribed interLATA carrier for intraLATA calling.

(7) Ohio Bell Tariffs¹

Coincident with implementation of IntraLATA 1+, Ohio Bell has elected to grandfather its MTS service offered in the Company's service territory, to be limited to current customers at their current locations as of the implementation date of IntraLATA 1+ who do not affirmatively select their presubscribed interLATA carrier for intraLATA calling. A tariff effectuating this change will be filed by Ohio Bell for approval by the Commission in conjunction with the Order in these cases. The Staff agrees to support such a tariff filing. Consistent with Ohio Bell's election and absent further notice to the Company, Ohio Bell has elected to not be listed by the Company as an option for intraLATA toll service for any access lines of the Company not activated on the implementation date of IntraLATA 1+ for such access lines, but Ohio Bell, at the customer's request, will provide such intraLATA toll service to current customers who add additional lines at their current locations.

(8) Obligations of Signatory Interexchange Carriers

The signatory interexchange carriers agree that they will not file a complaint against a primary toll carrier seeking the

¹ The IXC Coalition, AT&T and OCTVA express no opinion concerning this paragraph, and do not consider this paragraph to be part of the stipulation to which they are signatory parties.

implementation of IntraLATA 1+ until on or after December 31, 1995. This agreement does not restrict the signatory interexchange carriers from any of the following: (1) seeking the implementation of IntraLATA 1+ by raising the issue in other proceedings, including, but not limited to, rate cases or alternative regulatory proceedings instituted by an LEC, generic investigatory proceedings instituted by the Commission, or EAS proceedings; (2) filing complaints regarding the failure to provide IntraLATA 1+ against any secondary toll carriers; (3) informally requesting that the Commission initiate a generic investigation into the implementation of IntraLATA 1+. Nothing herein shall be deemed a waiver by any party of its right to object to raising IntraLATA 1+ in such proceedings.

In the event of any legislative, judicial, or regulatory changes which could permit any primary toll carrier currently subject to restrictions against the provision of interLATA toll service to provide interLATA toll service, the foregoing provision preventing the signatory IXCs from filing complaints against such carrier shall be null and void.

(9) Pending Appeals

The Stipulating Parties agree that neither this Stipulation nor any order in these cases shall be introduced or used in any way in the pending appeal of the Commission decision in Allnet v. Ohio Bell Telephone Company, Case No. 86-771-TP-CSS (Allnet v. Pub. Util. Comm., S. Ct. Case No. 93-1612) ("Allnet Appeal"). However, this Stipulation, and the Parties' agreement to forbear from filing complaints against primary toll carriers as set forth above, shall in no way affect their rights with regard to a remand of the Allnet Appeal and any action taken by the Commission in order to carry out any order of the Ohio Supreme Court.

(10) Use of IntraLATA 1+ Settlement

Subject to the restrictions contained above, the signatory parties' agreement to the provisions of this settlement relating to the implementation of IntraLATA 1+ is not binding upon them in any other proceedings. Except as provided above, no limitation on the use of this Stipulation contained in Section 6 hereof shall be construed to preclude any party from presenting evidence (other than this Stipulation) concerning the methodology and existence of IntraLATA 1+ within the Company's service territory. The implementation of IntraLATA 1+ by the Company shall not be cited or otherwise advanced by any party as a reason to delay the implementation of IntraLATA 1+ within the service territories of other Ohio LECs.

(11) Schedule

All dates certain provided in Section 2(e) were agreed to on the assumption that an order approving this Stipulation would be issued on or before March 1, 1994. If an order is not issued on or before March 1, 1994, all dates certain stated in Section 2(e) shall be extended one day for each day after March 1, 1994, that the order is delayed.

2. No Stipulating Party shall initiate or seek to initiate any earnings review or earnings adjustment proceedings during the Initial Term (as defined in the Plan).

3. The Company agrees to implement, or to have implemented, the recommendations of the Staff Report relating to quality of service that were adopted in the prefiled testimony of George Crump, but that are not expressly outlined in the Plan.
4. That if the Commission should adopt this Stipulation, it may treat the Stipulating Parties' objections to the Staff Report as satisfied and withdrawn and need not rule upon them individually or collectively.
5. That the Stipulating Parties need not call witnesses to sponsor the written testimony previously filed herein, except as may be necessary to make witnesses available

for cross examination by parties to these proceedings who are not Stipulating Parties, and that no Stipulating Party has objection to such testimony being offered and admitted into evidence. The Stipulating Parties may file supplemental testimony supporting this Stipulation and shall support this Stipulation.

6. That this Stipulation is submitted for purposes of full and final settlement of these cases and all issues related thereto, including but not limited to, the breaking of the intrastate Traffic Sensitive Access mirror and equalization of Carrier Common Line access charges, and is not to be deemed binding upon the Stipulating Parties in any other proceeding nor to be offered or relied upon in any other proceeding involving the Company or any other utility. All offers of settlement and discussion related thereto are and shall be privileged and shall not be used in any manner, nor be admissible for any other purpose in connection with this proceeding or any other proceeding. All the matters set forth in this Stipulation, including but not limited to, the breaking of the intrastate Traffic Sensitive Access mirror, the equalization of Carrier Common Line access charges and the technical feasibility of IntraLATA 1+, are presented only in connection with this Stipulation, and are presented without prejudice to any position any of the signatories may have advanced in other proceedings and any positions that they may take in any future proceedings. In addition, nothing herein shall be deemed a waiver of the right of any party other than the Company to object to the implementation of ELCS as contemplated by Section 10(F) of the Plan. Without limiting the generality of the foregoing, this Stipulation shall not be used by any party to demonstrate or assert that the form or content of the Plan is in any respect applicable to any other case, involving the Company or otherwise, filed or arising under Revised Code Chapter 4927.
7. The Stipulating Parties agree that if the Commission does not adopt this Stipulation without modification as the basis for its decision in these proceedings, to be evidenced by incorporation of this Stipulation within the Commission's Order in this proceeding by reference, restatement, and/or attachment, that this Stipulation may be withdrawn by notice of any Stipulating Party to all other Stipulating Parties, all withdrawn objections shall thereupon be reinstated, and this Stipulation shall thereupon not constitute any part of the record in this proceeding, nor shall it be used for any purpose whatsoever by any party to this or any other

proceeding; and the Stipulating Parties further agree that in such event, additional hearing time should be provided to fully litigate the issues in this proceeding.

8. The Stipulating Parties represent that, in the interest of expediting this proceeding, they will not file an application for rehearing or appeal from a prompt decision of this Commission granting relief in accordance with the recommendation herein.
9. The Company shall file all proposed new or revised tariff pages necessary to implement the terms of the Stipulation as an Exhibit hereto, not more than 14 days following the filing of this Stipulation.

THE WESTERN RESERVE TELEPHONE
COMPANY

By: Thomas E. Hays

THE OHIO BELL TELEPHONE COMPANY

By: John F. Hays

AT&T COMMUNICATIONS OF OHIO, INC.

By: _____

BELL COMMUNICATIONS RESEARCH,
INC.

By: Marsha K. Koenig
as to access to information
only.

THE STAFF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO

By: Ann E. Haskins

ALLNET COMMUNICATIONS SERVICES, INC.
~~LITEL TELECOMMUNICATIONS~~
CORPORATION DBA LCI INTERNATIONAL
TELECOM CORPORATION and
MCI TELECOMMUNICATIONS CORPORATION

By: Judith E. Sanders

THE OHIO CABLE TELEVISION
ASSOCIATION

By: Stephen M. Howard

OHIO DEPARTMENT OF EDUCATION

By: Laird W. Riley

The Western Reserve Telephone Co.
Case No. 93-230-TP-ALT

ATTACHMENT NO. 1
ALTERNATIVE REGULATION PLAN
RULE SECTION III C1

**THE WESTERN RESERVE TELEPHONE
COMPANY**

By: _____

THE OHIO BELL TELEPHONE COMPANY

By: _____

AT&T COMMUNICATIONS OF OHIO, INC.

By: *John P. Ambleton*

**BELL COMMUNICATIONS RESEARCH,
INC.**

By: _____

**THE STAFF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO**

By: _____

**ALLNET COMMUNICATIONS SERVICES, INC.
LITEL TELECOMMUNICATIONS
CORPORATION DBA LCI INTERNATIONAL
TELECOM CORPORATION and
NCI TELECOMMUNICATIONS CORPORATION**

By: _____

**THE OHIO CABLE TELEVISION
ASSOCIATION**

By: _____

OHIO DEPARTMENT OF EDUCATION

By: _____

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**ALTERNATIVE REGULATION PLAN
OF THE WESTERN RESERVE TELEPHONE CO.**

The Western Reserve Telephone Co. (the "Company"), subject to and conditioned on the hereafter set forth terms and conditions, and specifically reserving its rights pursuant to Section 4927.03(B), consents to regulation by the Public Utilities Commission of Ohio (the "Commission") under the following Alternative Regulation Plan (the "Plan"), pursuant to Section 4927.04 of the Ohio Revised Code and the Rules for Alternative Regulation of Large Local Exchange Companies adopted by order of the Commission dated as of March 10, 1993, in Docket No. 92-1149-TP-COI (the "Rules").

1. DEFINITIONS:

Terms not otherwise defined herein shall have the meanings set forth in Ohio Revised Code Chapter 4927 (the "Statute") and the Rules as currently enacted.

2. PLAN FULFILLMENT OF PUBLIC POLICY AND PUBLIC INTEREST:

The Plan specifies commitments to assess customers needs, desires, and level of satisfaction with various services through performance of periodic customer surveys and interviews. Results of such surveys, interviews and other sources of public input would be available to use in determining commitments for future plans and in adjusting current practices.

The Company will maintain just and reasonable rates, rentals, tolls, and charges for public telecommunications services through not only the freezing of rates, but also through the elimination of the monthly and non-recurring charges associated with residential Tel-Touch and reduction of the rates for Traffic Sensitive local switching access services. The Company's proposal to permit its customers to call the state-chartered elementary and secondary schools within their local school districts at "no charge" would be a benefit to the customers. The proposal would eliminate toll charges for those calls, and is intended to promote open communication between parents and schools, as well as permit parents to comply with Ohio's "Absence Reporting" laws without experiencing toll charges.

The Plan will provide further encouragement and incentive for the Company and its customers to be innovative in the supply, use, and development of telecommunications services and technology. Increased awareness by customers and the Company would be achieved by the Plan's provision to inform

and educate customers. This should stimulate creativity and the imagination of customers and the Company regarding many new or refined ways that telecommunications services can reduce customer costs, increase their efficiency, or simply make their lives more convenient. The possibilities and uses of modern and next generation technologies can only be enhanced by more people thinking and talking about ways to use them.

The commitments by the Company will, as a whole, promote diversity in the options which are available in the supply of public telecommunications services and equipment throughout its service territory.

3. PLAN INITIAL TERM:

The Plan shall be effective, subject to termination rights as provided herein, for three years from and after the date that the Commission enters in its journal an order approving the Plan (the "Initial Term"). The Plan shall be implemented 30 days after the date of such order ("Implementation Date"); however, with respect to Plan provisions not expressly requiring action on the Implementation Date, the Company shall be allowed reasonably sufficient time subsequent to the order as may be needed to implement such Plan provisions. Further, nothing herein shall be construed to limit or prohibit the Company from taking such action as shall be necessary during the Initial Term to establish rates or a new alternative regulation plan to be effective upon or after conclusion of the Initial Term.

4. COMMISSION APPROVAL:

The consent of the Company to submit to regulation under the terms and conditions of the Plan, which is necessary and required by law in order to subject the Company to alternative regulation, is conditioned on approval by the Commission of all the terms and conditions of the Plan. If any modifications are made to the Plan, the Company shall have the right to withdraw its consent to alternative regulation.

5. EXTENSION OF THE PLAN:

By no later than three months prior to the expiration of the Initial Term, the Company may request an extension of the Initial Term by filing a written request with the Commission and serving it upon each party to the proceeding in which the Plan was approved, and any person who requests to be served with such notice. The Commission shall order such procedures as it deems necessary, consistent with the Rules, in its consideration of the request.

6. AMENDMENT OF THE PLAN:

At any time during the term of the Plan, the Company may request that the Plan be amended by filing with the Commission a notice of amendment which sets forth the specific elements of the Plan that are to be affected and the effect that such amendment would have upon the Plan. Such notice shall also be served upon all parties to the proceeding in which the Plan was approved, and any person not otherwise represented who requests to be served with such notice. The Commission shall order such procedures as it deems necessary, consistent with the Rules, in its consideration of any request to amend the Plan.

7. WITHDRAWAL OF THE PLAN:

At any time during the Initial Term of the Plan, the Company may request that the Plan be withdrawn by filing with the Commission a notice of withdrawal which sets forth the reasons for withdrawal. Such notice shall also be served upon all parties to the proceeding in which the Plan was approved, or any person who requests notice of such withdrawal. The Commission shall order such procedures as it deems necessary, consistent with the Rules, in its consideration of the request.

8. MODIFICATION AND REVOCATION OF THE PLAN:

The Commission may not modify or revoke any order accepting or approving the Plan, unless it determines, after notice to the Company and hearing, that the Company has failed to materially comply with the terms of the Plan. Prior to any such ruling, the Commission shall take into consideration, after notice and hearing, consequences of such action on the Company, as well as the impact on its customers and shall provide the Company an opportunity to cure its noncompliance.

9. NEW SERVICES:

The Company may submit an Application Not for an Increase in Rates to establish a new service, which shall be governed by the Commission's rules and procedures established in Case No. 84-944-TP-COI and for 86-1144-TP-COI, or other applicable rules exclusive of rules arising under Chapter 4927, Revised Code.

10. COMMITMENTS:

The Company commits to infrastructure deployment or customer service in addition to its minimum telephone service standards, as follows:

- (A) Flat rate basic local exchange service will continue to be available during the Initial Term.
- (B) Tariffed rates, except monthly and non-recurring charges associated with residential Tel-Touch charges, charges for services subject to pricing flexibility in accordance with the Commission's decisions in Case No. 84-944-TP-COI and/or 86-1144-TP-COI, intrastate Originating and Terminating Carrier Common Line Charges and Local Switching Traffic Sensitive access charges, and rates for basic local exchange service to schools, shall not be changed during the Initial Term; provided, however, that nothing herein shall prohibit the Company from taking such action during the Initial Term as is necessary to establish rates to be effective upon or after conclusion of the Initial Term.
- (C) The Company will, beginning in January, 1994, deploy technology and services within its service territory to provide an advanced network which will provide increased reliability and survivability, the availability of enhanced services, economic development opportunities and increased public safety.

Completion of the Company's technology deployment commitment will accomplish the following network capability goals:

	<u>1994</u>	<u>1995</u>	<u>1996</u>
Digital Switching Capabilities ¹	100.0%	100.0%	100.0%
SS7 Capabilities ¹	88.5%	89.5%	95.0%
CLASS Services ¹	87.2%	88.9%	95.0%
Enhanced Network ²	6.7%	15.6%	22.2%
ISDN ¹	32.5%	37.1%	44.6%
Interoffice Fiber Connectivity ²	75.6%	90.0%	95.0%
Schools passed by Broadband Facility ³	32.0%	40.0%	42.0%

¹Percent of Access Lines

²Percent of Central Offices

³Percent of Schools in Territory

This commitment shall be considered fulfilled if the Company achieves the above projected percentages plus

or minus 10% of the applicable percentage, to allow for the needed flexibility to respond to market demands that may not be projected in the Initial Term.

- (D) The Company will, on the Implementation Date, reduce intrastate Traffic Sensitive local switching access charges to 2.362¢ per minute and discontinue mirroring of the interstate access rates. All other intrastate switched traffic-sensitive and special access rates will be frozen at the rates in effect on January 1, 1994. Additionally, the Company will reduce intrastate Traffic Sensitive local switching access charges to 1.7¢ per minute, effective July 1, 1995, and to 1.0¢ per minute, effective July 1, 1996.
- (E) The Company will, on the Implementation Date, equalize its intrastate Originating and Terminating Carrier Common Line rates on a Company revenue neutral basis.
- (F) The Company will, in accordance with all applicable rules, regulations, and legal restrictions, propose rate reductions through the implementation of One-Way Extended Local Calling Service to the following county seat exchanges of its service territory:
 - 1. Northfield to Akron
 - 2. Twinsburg to Akron
 - 3. Aurora to Akron

The Company will file an application with the Commission for the provision of ELCS for each of these routes within 60 days from the Implementation Date. The Company will, with regard to each of these routes not approved for ELCS by all appropriate authorities, allocate an additional \$50,000 to telecommunications-based educational applications development. Such funds will be available on a grant basis as provided in Section 10(M)(2) of the Plan.

- (G) The Company will, on the Implementation Date, eliminate the monthly rate for residential Tel-Touch services and will waive charges associated with conversion of the existing residential access lines to Tel-Touch. All new residential lines will be equipped with Tel-Touch capability.
- (H) The Company will implement "no charge" one-way calling from the Company's local exchange to the state-chartered elementary and secondary schools within its customers' local school districts.
- (I) The Company will phase out all multi-party service within six months of Implementation Date.

- (J) The Company will implement the ALLTEL Customer Satisfaction Monitor (Monitor) process to quantify and evaluate customer satisfaction and further integrate the customer's voice into the Company's decision making. The Monitor process will specifically prioritize features of services and products in terms of their importance to the customer, provide a basis for decision making about goal setting, and resource distribution, and guide product design and communication.

The process will consist of a study with sufficient sample size to specifically identify and measure the Company's residential, commercial, educational and public-service-related institutional customers. Performance will be tracked longitudinally and reports will be developed to assist the Company's management in providing the highest possible levels of customer service and education from the customer's perspective.

Questionnaire development will be based on focus groups within each market segment. A comprehensive set of issues and needs as identified by the customer will be developed from the focus groups. These issues will then be turned into questionnaire items. Survey development will be complete by the end of the first quarter of 1994. The questionnaire and reporting process will be implemented by the end of 1994. Reports will evaluate levels of performance, track performance over time, and generate action items to improve customer service levels.

Additional ad hoc research projects will be initiated, as appropriate, to gain additional insights into areas indicated as needing attention from the Monitor process. Results of the Monitor process will be used in determining commitments for future plans and in adjusting current practices.

- (K) The Company shall amend its General Exchange Tariff, Section 2, First Revised Sheet No. 9, Section 2.3.4, relating to transfer of telephone numbers upon sale of a business, to conform to the recommendations regarding such tariff set forth in the Staff Report in Case No. 93-230-TP-ALT.
- (L) The Company will, in connection with implementation of this Plan, initiate and continue efforts to further the following goals of universal service:
1. Enhancing outreach efforts to increase the level of participation in the Basic Telephone Service Assistance Program;

2. Improving telephone access to persons with communication impairment;
3. Exploring the restriction of toll access in lieu of disconnection for non-payment; and
4. Continuing the Medical Certification Program.

In order to achieve the above goals, the Company will implement or continue the following programs:

1. Inform customers upon initial service request of the Basic Telephone Service Assistance Program (BTSA):
 - (a) Telephone Service Assistance (TAS)
 - (b) Service Connection Assistance (SCA)
2. Provide new customers copies of materials explaining BTSA;
3. Continue listing of the Company as a BTSA participant with qualified social service organizations;
4. Continue directory information regarding BTSA and regarding services for the communicatively impaired;
5. Provide semi-annual bill inserts notifying of program and of services for the communicatively impaired;
6. Provide quarterly bill inserts and monthly bill messages concerning BTSA in those counties served by Company that have unemployment rates higher than the state averages;
7. Continue Medical Emergency Program;
8. Review all SCA accounts to assure appropriate credits applied; and
9. Review all internal procedures concerning BTSA and assure Company compliance.

(M) The Company will, in connection with implementation of this Plan, initiate and continue the following efforts to further the deployment of distance learning technology and other telecommunications-based educational applications within its service territory: